

Exhibit 3



Skatteforvaltningen v Solo Capital Partners LLP & Others

Day 19MT

May 23, 2024

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1 sign exactly the same agreement where SCP, through its
 2 GSS desk, was identified as the adviser, they would have
 3 signed and that is what would have happened and
 4 therefore I think the premise of the question is one way
 5 or the other, surely it was your choice to have this bit
 6 of the cash flow that was being generated ultimately for
 7 the benefit of Ganymede rather than Solo; why did you
 8 make that choice?
 9 A. I see, sorry, yes. The (inaudible — overspeaking) — —
 10 MR JUSTICE ANDREW BAKER: If it was not your choice — — let
 11 me finish — — let me finish. If it was not your choice,
 12 I have the premise of my interruption wrong and
 13 I apologise. If it was your choice, I think it was
 14 pretty obvious that is what Mr Rabinowitz was asking
 15 you, and you should perhaps just concentrate on
 16 answering what you are being asked.
 17 So if it was your choice, why did you choose to put
 18 this bit of the cash flow through Ganymede rather than
 19 keeping it in Solo?
 20 A. Well, the answer to the question is I don't believe it
 21 was my choice, as I was not the director of this company
 22 at the time. To give you a fuller answer, I would
 23 assume that it is more tax-efficient to have fees paid
 24 to a company that didn't pay corporation tax rather than
 25 a company that does have to pay corporation tax in the

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1 UK. So this looks like tax planning and this would be
 2 most likely at the suggestion of the tax structurers.
 3 MR RABINOWITZ: Mr Shah, it may well have been about tax
 4 planning, but you were in ultimate control of Ganymede,
 5 you were in ultimate control of SCL, you were in
 6 ultimate control of SCP. The suggestion that this was
 7 not your choice cannot be right.
 8 A. Well, there are other ways to get the payment to me
 9 tax-efficiently using SCP. So I think the decision to
 10 use Ganymede doesn't really make too much difference
 11 compared to using SCP.
 12 Q. All right. Can I ask you this, Mr Shah. We know, of
 13 course, that the whole basis of the application made to
 14 SKAT was that the US pension plan had suffered
 15 a withholding of tax in relation to a dividend received
 16 by the plan, correct?
 17 A. Yes, that's correct.
 18 Q. Given that, Mr Shah, why do you say it made sense that
 19 rather than the US pension plan being able to keep the
 20 substantial part of what SKAT was paying by way of
 21 a refund, it should be Ganymede that should have that
 22 money, or around 60% of it? What is it you say you were
 23 contemplating?
 24 A. Well, this was in line — — my recollection is this is in
 25 line with the charges that were being offered by the — —

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1 what I would call the other clearers, custodians and
 2 prime brokers. It is my recollection that
 3 Macquarie Bank, ED&F Man and Investec, who offered
 4 similar services, were charging in excess of 50%. We
 5 didn't force the US pension plans to do business with
 6 us, but this looks like they agreed that they are happy
 7 to pay this money to Ganymede or to me, ultimately, for
 8 providing the services that Solo provided.
 9 Q. So because of what Solo provided or you personally
 10 provided, because Ganymede was your company, you felt
 11 entitled to take 60% of what apparently was tax which
 12 was withheld from them?
 13 A. To me, this looks like a commercial arrangement that
 14 both parties agreed to.
 15 Q. I'm just trying to understand what it is that you think
 16 you provided, Mr Shah, which — —
 17 A. Well, okay. So I can see according to this particular
 18 agreement the services being provided are tax reclaim
 19 advisory services and it looks like the clients
 20 voluntarily agreed. I don't think they were forced.
 21 I don't think a gun was put to their head to sign the
 22 agreement. It looks like both sides of the agreement
 23 signed the agreement willingly.
 24 Q. That is true, Mr Shah, plainly. We have the document
 25 which was signed. That wasn't my question.

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1 A. Yes.
 2 Q. What was it that you consider that you provided — —
 3 Ganymede, (inaudible) — — which meant that — — maybe you
 4 didn't think it was appropriate that you should be
 5 getting 60% of this, but if you did, what is it that you
 6 provided in relation to the scheme which meant that you
 7 should get to keep 60% of the proceeds of what
 8 apparently was their withheld tax?
 9 A. Well, in my witness statement I say that Ganymede
 10 provided an introduction to Solo, Ganymede I think also
 11 did some other work on behalf of the pension plans, for
 12 example negotiating lower reclaim agent fees,
 13 negotiating lower brokerage fees, and the charges were
 14 in line with the markets, as it were, at the time. So
 15 that's a fuller answer.
 16 This particular agreement refers to tax reclaim
 17 advice, but in later agreements I think the agreements
 18 are broader, to just cover any type of consultancy or
 19 advisory work, and that would include an introduction to
 20 SCP and therefore I have described the fees paid as — —
 21 they can be classed as introduction and/or success fees.
 22 Q. Mr — —
 23 A. But ultimately, yes, I think success fees is probably
 24 the best description, yes.
 25 Q. Mr Shah, why can't you simply answer that by saying what

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1 you provided was a facility which would enable these
 2 pension plans to recover money which, on the basis that
 3 it was tax withheld in circumstances where they had
 4 never held any actual shares, never advanced any money
 5 but were in effect getting money for free from SKAT; why
 6 can't you answer the question in that way, because they
 7 were getting free money from SKAT, weren't they?
 8 A. No, I disagree with that comment.
 9 Q. They were not getting free money from SKAT? They didn't
 10 put any money in, they never did anything other than
 11 what you told them to do, and in the end, like a magic
 12 money tree, SKAT was giving them money, and what you
 13 were asking to be paid for was having set up a scheme
 14 which enabled them to get money in that way?
 15 A. The services provided by Solo were custody and clearing.
 16 Services for Ganymede I have just covered. The ability
 17 for the investors, so the US pension plans and the
 18 Labuan companies, they were able to engage in genuine
 19 trading and they were able to submit genuine withholding
 20 tax reclaims and this was all possible due to the legal
 21 loophole that existed at the time. There was no magic
 22 involved. There was no dishonesty involved. There was
 23 no fraud involved. That is my recollection.
 24 MR JUSTICE ANDREW BAKER: Is it your evidence, then, that
 25 you were providing ultimately, in your mind, access to

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1 the legal loophole, or access to the exploitation of
 2 a legal loophole which you say you regarded as legal
 3 even if others might have regarded it as, for
 4 reputational reasons, a type of trading they didn't want
 5 to do?
 6 A. Yes, so Solo were providing access to allow these
 7 clients to access the loophole, but as well as Solo
 8 there were other providers doing the same thing with
 9 other clients.
 10 MR RABINOWITZ: My Lord, I'm about to move on.
 11 MR JUSTICE ANDREW BAKER: Is that the time? Yes, thank you.
 12 Mr Shah, it is 10.55 and Mr Rabinowitz was going to
 13 move to a slightly different topic, I think, so we will
 14 take our mid-morning break at this point.
 15 Just one practical matter, Mr Rabinowitz, is it
 16 still the case that you are not available tomorrow and
 17 therefore tomorrow's cross-examination will be by
 18 Mr Goldsmith on it may be slightly different or discrete
 19 topics?
 20 MR RABINOWITZ: That is still the case.
 21 MR JUSTICE ANDREW BAKER: I am sure you would, without my
 22 saying this, but you will have particularly in mind,
 23 therefore, that after today from your perspective not
 24 only are we breaking for a long weekend because you are
 25 not here tomorrow, but we are effectively pausing then

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1 your cross-examination of Mr Shah for 10 days or so, so
 2 I think it is particularly important that you come to
 3 a very good logical point that is fair to him to stop,
 4 even if that might mean today not taking it all the way
 5 to 3 o'clock when you are still in the middle of a topic
 6 and saying, in the way one would coming back the next
 7 day, "That is a convenient enough place to stop". You
 8 need to time the pause to bear that in mind, I think, if
 9 that makes sense.
 10 Very good. So 10 minutes, please, Mr Shah. Thank
 11 you.
 12 (10.57 am)
 13 (A short break)
 14 (11.11 am)
 15 MR JUSTICE ANDREW BAKER: Yes, thank you, Mr Rabinowitz.
 16 MR RABINOWITZ: Thank you, my Lord.
 17 I'm going to move on, Mr Shah, and ask you some
 18 questions about the trading counterparties involved in
 19 the 2012–2013 trading. We will come on to the position
 20 in 2014 later. Can I ask you, please, to go to
 21 {F/379.2/1}. This is a treat and Mr Goldsmith is going
 22 to take over the EPE, if he may.
 23 Just to explain to you, Mr Shah, what we are looking
 24 at, it is a schedule prepared by SKAT's lawyers set out
 25 all the trades in the 2012–2013 period based on the

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1 underlying trade documentation. Unless you have any
 2 reason to believe that any part that I'm showing you is
 3 inaccurate I'm going to ask you to assume that the
 4 details set out in the spreadsheet are correct. If it
 5 is not correct, then no doubt your lawyers will make
 6 sure the court knows it is the case, okay.
 7 MR JUSTICE ANDREW BAKER: Mr Rabinowitz, remind me, is this
 8 one of the ones we did do some going through in
 9 openings?
 10 MR RABINOWITZ: It is.
 11 MR JUSTICE ANDREW BAKER: Mr Shah, you attended remotely
 12 while we had the opening sessions on the documents.
 13 A. Yes.
 14 MR JUSTICE ANDREW BAKER: So you and I will both have seen
 15 this and seen Mr Goldsmith selecting and so on to
 16 isolate particular parts of it during openings, all
 17 right, thank you.
 18 A. Yes.
 19 MR RABINOWITZ: I hope to go through this fairly quickly.
 20 First we are going to look at trades in 2012.
 21 Mr Goldsmith is filter to go through that, as he has
 22 done. If you look at column E, can you see it now only
 23 shows trades with an ex-date in 2012; do you see that.
 24 A. Yes, I can see that.
 25 Q. Thank you. If we then look at column I, that sets out

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